

**Royal Commission of Enquiry into Building Failure
Caused by Canterbury Earthquakes**

Statement of John Victor Dallison in relation to building at 603 Colombo Street, Christchurch.

Introduction

1. My full name is John Victor Dallison. I am a partner of the firm Dallison Stone, Solicitors in Christchurch.
2. I am the legal representative of the building owners, the Yee Brothers Syndicate.

Owners

3. The Yee Brothers Syndicate comprises Simon Yee, Leo Yee, Donald Yee, Ewan Yee and Sun Nam Yee.
4. The members of the Yee Brothers Syndicate are in their senior years, and have little to do with the day to day supervision of their buildings or the various tenancies.
5. My firm is the first point of contact in relation to each tenancy and collects rental from each tenant.

Ownership

6. An historical search of the title to 603 Colombo Street records the syndicate became registered as proprietors of the property on 5 April 1973.
7. In addition the syndicate owns a number of other properties, including 601/601A Colombo Street (south side of Mollett Street), 622/624 Colombo Street and 626 Colombo Street/ 178 Tuam Street.

Summary Chronology

8. 4 September 2010
Earthquake
9. 6 September 2010
I instructed Eliot Sinclair & Partners, engineers, to complete a report in relation to the damaged building
10. 20 September 2010
Received report by Eliot Sinclair & Partners.
11. 20 September 2010
Forwarded a copy of the report completed by Eliot Sinclair & Partners to Cunningham Lindsey, the loss adjusters engaged by the insurers.

12. Numerous discussions and attendances on Mathew Bushnell (representing Benson Chen Holdings Limited – the owner of 605–603 Colombo Street, Christchurch) and on Marton Sinclair, engineer.
13. 1 February 2011.
Meeting with Christchurch City Council staff. Matters discussed included:
 - 13.1 Estimated cost of earthquake strengthening.
 - 13.2 Buchanan & Fletcher, the engineer's engaged by Benson Chen Holdings Limited, would recommend demolition.
 - 13.3 Likely timeframe to obtain a resource consent for demolition.
 - 13.4 Extension of time until end of February 2011 in relation to s.124 of Building Act 2004.
14. 15 February 2011.
Instructed Buchanan & Fletcher (via Mathew Bushnell) to proceed with an application for resource consent to demolish 603 Colombo Street in conjunction with 605-613 Colombo Street and 615 Colombo Street.
15. 22 February 2011.
Partial collapse of building due to earthquake.

Report by Eliot Sinclair & Partners

16. The report dated 20 September 2010 by Eliot Sinclair & Partners identifies:
 - 16.1 603 Colombo Street is the southernmost unit of a two storey block building known as the Astral Building.
 - 16.2 The whole complex is likely to be classed a heritage building by the Council.
 - 16.3 Any work will have to be considered as a whole as the units are structurally interconnected.
 - 16.4 The unit was potentially unsafe and it should remain unoccupied until further investigation.
 - 16.5 Any work will require building consent which is likely to trigger the need for structural upgrading to 67% of the current code.
 - 16.6 Design, consent and construction work will take several months.

Observations

17. It was uneconomic to upgrade the building.
18. Buchanan & Fletcher, the engineers engaged by Benson Chen Holdings, would recommend demolition.
19. The Council was informed of the parties' intention to demolish, and that an application for resource consent for demolition would be filed.

Information requested

20. In response to the request for information contained in your letter dated 11 October 2011 I am instructed to reply as follows:
 1. No structural strengthening work was carried out on the building prior to the 4 September 2010 earthquake.
 2. On behalf of the owners I requested an inspection/assessment of the building by Eliot Sinclair & Partners on 6 September 2010. The report by Eliot Sinclair & Partners was received on 20 September 2010 – attached to WIT.SIN.0001.1. The report identified the unit was potentially unsafe and it should remain unoccupied.
 3.
 - (a) The Council's letter dated 15 October 2010 was a request for the owners to obtain a CPEng report to certify the building was not "dangerous" as that term is defined in the Building Act 2004. At that time there was no intention to reoccupy the building until a joint decision regarding the future of the Astral Building had been made. A CPEng report was not obtained.
 - (b) The Council's recommendation to provide temporary support to the south wall was not carried out. At that time Mollet Street had been closed and was cordoned off thereby preventing access.
 4.
 - (a) With the Council's letter dated 20 October 2010 was a notice under s.124(1)(c) of the Building Act 2004 requiring temporary support to the south wall. The notice recorded if the building is a listed heritage building then Council approval must be obtained for the work, whether or not a building consent is required. The notice stated the work was to be carried out by 31 January 2011. The work was not carried out by that date. During the period leading up to 31 January 2011 it became apparent that demolition was likely. There were a number of discussions with Council employees prior to the meeting on 1 February 2011 when the matter was discussed in detail.
 5. With the Council's letter dated 28 December 2011 was a further notice notice under s.124(1)(c) of the Building Act 2004. That notice differed from the earlier notice in that item 2 in the Particulars merely states "Councils records show that the southern wall is cracking". There is no reference to providing temporary support to the south wall. The same conditions to reduce or remove the danger applied. The comments in 4(a) above apply.

6. At the meeting with Council staff on 1 February 2011 the proposed demolition of the Astral Building was discussed. The procedure to obtain a resource consent for demolition was discussed in detail. It was agreed it would be more cost effective to have one engineer assess the whole of the Astral Building instead of each individual owner engaging their own engineer. I obtained instructions from the owners (having first obtained details of the likely cost) to engage Buchanan & Fletcher, the engineers engaged by Benson Chen Holdings. On 15 February 2011 I instructed Buchanan & Fletcher (via Mathew Bushnell) to complete an engineering assessment as part of the application for resource consent to undertake demolition of the building in conjunction with the balance of the Astral Building. I am unaware how advanced Buchanan & Fletcher was with its inspection and report on 22 February 2011.